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City Club of Portland (Portland, Or.)

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"Harmony in
Diversity"

PORTLAND CITY CLUB BULLETIN

"Active
Citizenship"

VOLUME IV

PORTLAND, OREGON, APRIL 18, 1924

NUMBER 28

FRIDAY, APRIL 18

Hotel Benson, 12:10 Sharp

SPEAKER

C. S. CHAPMAN

Forester, Western Forestry and Conservation Ass'n.

SUBJECT

"Forestry Conservation and Taxation Problems"

EXTRA !

DR. H. A. HARDING

*Former Head of Dairy Division
University of Illinois*

**"What is the Hoof and Mouth Disease?"
"Why Pasteurized Milk"**

OREGON is in the center of the greatest remaining belt of accessible standing timber. The problems of conservation, reforestation and taxation resulting from lumber production are many and complex. Mr. Chapman, a national authority, will present information of interest to every citizen. Next week is National Forest Protection Week.

Dr. Harding, who speaks at 12:30, is an eminent authority on the protection of milk supplies.

NEXT WEEK:— "What is a Public Service Commission?"
M. K. CAMERON, U. of O. Department of Economics.

Bridge Contracts Are Investigated by Committees

BRIDGE ACTION SCORED

WITH unanimous action the City Club meeting last week adopted the report of the special committee which disapproved in no uncertain terms the action of the County Commissioners in letting bridge contracts. The study, published herewith, was the work of the following committee, Richard W. Montague, chairman, A. L. Andrus, R. M. Boykin, W. W. Elmer, R. E. Koon, Wm. C. McCulloch, R. W. Mersereau, James J. Sayer, and Ernest C. Willard. The report is as follows:

Your committee appointed to investigate the propriety of the action of the county commis-

Continued on page 3

BRIDGE DETAILS GIVEN

STUDY by the Oregon Technical Council, representing the organized engineering bodies of the state, of the engineering details of the bridge contracts now in question, resulted in a valuable report which the City Club endorsed along with its special committee report last week. To complete the record of investigations, this report is published herewith:

The Oregon Technical Council at a special meeting held April 4th adopted unanimously the report of its Committee appointed to investigate the contracts recently awarded for the construction of the Burnside, Ross Island and Sell-

Continued on page 2

An Invitation to Climb Mt. Hood is Enclosed

PORTLAND CITY CLUB BULLETIN

Published Weekly By

THE CITY CLUB

OF PORTLAND

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Entered as Second Class Matter, October 29, 1920, at the postoffice at Portland, Oregon, under act of March 3, 1879

City Club dues are \$1.00 per month, payable semi-annually on May 1st, and November 1st. There is no initiation fee.

CITY CLUB PURPOSE:

"To inform its members and the community in public matters and to arouse them to a realization of the obligations of citizenship."

STATEMENT OF THE OWNERSHIP, MANAGEMENT, CIRCULATION, ETC., REQUIRED BY THE ACT OF CONGRESS OF AUGUST 24, 1912.

State of Oregon, County of Multnomah—ss.

Of the Portland City Club Bulletin, published weekly at Portland, Oregon, for April 1, 1924.

Before me, a Notary Public in and for the State and county aforesaid, personally appeared R. W. Osborn, who, having been duly sworn according to law, deposes and says that he is the Editor of the Portland City Club Bulletin and that the following is, to the best of his knowledge and belief, a true statement of the ownership, management, etc., of the aforesaid publication for the date shown in the above caption, required by the Act of August 24, 1912, embodied in section 443, Postal Laws and Regulations, printed on the reverse of this form, to-wit:

1.—That the names and addresses of the publisher editor, managing editor, and business managers are:—Publisher, City Club of Portland, Portland, Oregon; Editor, R. W. Osborn, Portland, Ore.; Managing Editor, none; Business Manager, none.

2.—That the owners are: City Club of Portland, no capital stock; Thaddeus W. Veness, President, 611 Corbett Building; H. M. Tomlinson, Secretary, City Hall.

3.—That the known bondholders, mortgagees, and other security holders owning or holding 1 per cent or more of total amount of bonds, mortgagees, or other securities are: none.

4.—That the two paragraphs next above, giving the names of the owners, stockholders, and security holders, if any, contain not only the list of stockholders and security holders as they appear upon the books of the company but also, in cases where the stockholder or security holder appears upon the books of the company as trustee or in other judiciary relation, the name of the person or corporation for whom such trustee is acting, is given; also that the said two paragraphs contain statements embracing affiant's full knowledge and belief as to the circumstances and conditions under which stockholders and security holders who do not appear upon the books of the company as trustee, hold stock and security in a capacity other than that of a bona fide owner, and this affiant has no reason to believe that any other person, association, or corporation has any interest direct or indirect in the said stock, bonds, or other securities than as so stated by him.

ROBERT W OSBORN

Sworn to and subscribed before me this second day of April, 1924.

THADDEUS W. VENESS

My commission expires December 29, 1925.

BRIDGE DETAILS GIVEN

Continued from page 1

wood bridges. For your information, the findings of that Committee are given below:

1. The award of contract to the high bidders, Tillman and associates, conditioned upon acceptance of their bid for all three bridges or none, was done without proper consideration of the legal and engineering features involved, and was unbusinesslike and inexcusable.

2. The rejection of the low bid of the Pacific Bridge Company, a responsible bidder for the Burnside Bridge, was entirely unwarranted, as the price bid was \$530,000 lower than the bid accepted.

3. The time specified by the County's engineers for completion of the Burnside bridge, also that submitted by the Pacific Bridge Company, was 500 working days. J. H. Tillman, the successful bidder, proposes to complete this unit in 300 working days. In our opinion, this bridge cannot possibly be completed in 300 days, except through superhuman effort. This difference in time, in view of the unusually liberal provisions for extensions of time granted by the specifications, is a very hollow reason for rejecting the lower bid. The liquidated damages for the additional 200 days, even if imposed, would not exceed \$100,000, still leaving a margin of \$430,000 in favor of the lowest responsible bidder.

4. On these contracts it would be advisable for the County to furnish the contractors with cement, and provisions for so doing are included in the specifications. Under the contracts signed, however, the price to be deducted in case the County does furnish the cement is only \$2.03 per bbl., considerably less than it can be purchased for by the County. This price will preclude the County furnishing it at all, except at a great loss to the County and a corresponding gain to Tillman and associates.

5. The printed specifications and bids provide for lump sum bids on each bridge, based on the estimated quantities as shown in the plans. Unit prices are also called for that may be applied to the final quantities above or below those estimated, in order to compute the amount to be added to or subtracted from the lump sum bid in making final settlement.

The successful bidders have invariably modified the specifications in this regard and submitted one price for quantities in excess of those estimated, and another, a much lower one, for quantities less than those estimated.

The following table compares these unit prices on the Burnside bridge for two bids received:

	<i>Tillman</i>		<i>Pacific Bridge Co.</i>
	<i>Additions</i>	<i>Deductions</i>	<i>Additions or Deductions</i>
For Additions to or deductions from the estimated amount of—			
Concrete in main piers and abutments, per cu. yd.....	\$25.60	\$5.40	\$12.00
Excavation in main piers and abutments, per cu. yd.....	10.00	1.00	9.00
Concrete in foundations of approaches, per cu. yd.....	26.00	5.65	7.50
Excavation in foundations of approaches, per cu. yd.....	10.00	1.00	2.25
Timber Piling in foundations, per lineal foot in place.....	0.98	0.18	0.40
Reinforcing Steel, per lb.....	0.07	0.04	0.04½

In general, the successful bidder has imposed the condition, foreign to the specifications, that any additions to the estimated quantities shall be paid for at from 3 to 10 times any deductions from those quantities.

The unsuccessful low bidder imposed no conditions foreign to the printed specifications.

It is certain that the final quantities will be materially different from those estimated, and that changes in plans will be necessary as the work progresses. These unbalanced unit prices imposed by Tillman and associates and accepted by the County will introduce many opportunities for manipulation and are sure to result in misunderstandings, endless disputes, and litigation, and will increase the final cost much above that now contemplated.

6. Finally, the bid of J. H. Tillman and associates for all three bridges is irregular, conducive to misunderstanding and litigation, and decidedly uncertain as to final cost. Ordinary business prudence would have demanded its rejection. The lower bid for Burnside bridge should have been accepted and the other two bridges re-advertised. We have been without the Ross Island and Sellwood bridges since the beginning of time; surely 60 days more could have been allowed.

OREGON TECHNICAL COUNCIL

BRIDGE ACTION SCORED

Continued from page 1

sioners in accepting bids on the proposed Burnside, Ross Island and Sellwood Bridges, begs to report that while the withdrawal by the county commissioners of their signatures to these contracts will in some measure answer the question which the committee was expected to investigate, yet we deemed it advisable to proceed with the inquiry far enough to make a preliminary report upon the situation as it now stands, and as a result of such investigation as we have been able to make, we submit the following recommendations:

1. The report of the Oregon Technical Council, dated April 4, 1924, printed herewith, should receive the official endorsement of the City Club. We particularly desire to call to the attention of the membership the gross inconsistencies in the bid of J. H. Tillman and his associates for additions and deductions where different from the estimated quantities. As stated in the report of the Oregon Technical Council, "These unbalanced unit prices imposed by Tillman and Associates and accepted by the county will introduce many opportunities for manipulation, and are sure to result in misunderstandings, endless disputes and litigation, and will increase the final costs much above that now contemplated."

2. The engineering members of this committee have examined the plans as prepared by the consulting engineers, and have called into consultation bridge engineers, who are well qualified to pass upon the merits and demerits of work of this nature, and report that the plans, specifications, proposal forms, and other documents provided for the use of the contractors in bidding on the bridges, appear thoroughly adequate. Extension foundation explorations have been made at each bridge site, and all factors entering into an intelligent determination of bridge design have apparently had full consideration.

3. Considerable criticism having been heard relative to the requirement of a surety bond to be filed by the contractor, to the full amount of the contract, your committee, after thoroughly investigating the matter, reports as follows: It is entirely within the grounds of good business judgment that a surety bond equivalent to 100 per cent of the contract price should be required. As surety bonds for work of this nature are issued upon the basis of 1½ per cent of the

contract price, the cost of the surety bond would have been the same, regardless of the amount of the bond itself.

4. We believe that the reported action of one member of the firm of consulting engineers in acquiescing or approving the award of the contracts made by the County Commissioners on April 1st, if true, requires an additional explanation, and the action of the other member of the firm in issuing his public statement against the awarding of these contracts should be commended.

5. It is our desire to call attention to the fact that the determination of the amount of the bond issue for the construction of the Ross Island bridge was based upon a steel structure. At the time when this bond issue was presented to the voters, no borings had been made, and the cost of the foundations could not have been accurately determined. It is now proposed to erect a concrete bridge at this location, costing considerably in excess of the amount of the bond issue. It may be desirable to build such a bridge, but the method of procedure adopted to accomplish this end was radically wrong in principle. The County Commissioners should have either proceeded to build the best bridge that could have been built within the amount of the authorized bond issue, or should have gone before the voters requesting an additional bond issue of sufficient size to build the bridge as now contemplated, setting forth clearly, the advantages to be obtained by the building of the concrete structure.

6. It is recommended that the approval of the award of the contract for the construction of the Burnside bridge, if made to the low bidder, be given, provided that the consulting engineers for the county commissioners advise that the bid is entirely regular, and that the legal phases of the contract are approved by the district attorney.

7. It is recommended that the contract for the construction of the Sellwood bridge be re-advertised and awarded to the lowest responsible bidder, subject to the approval of the consulting engineers for the county, and by the district attorney, provided that the outlay is within the amount authorized to be expended.

8. It is recommended that a further study be made of the Ross Island bridge, and if necessary,

that an additional bond issue or a transfer of the excess amount in the Burnside bridge bond issue be requested from the voters, in order to build a concrete structure at this location, and if this be not granted, that a steel structure be built as originally contemplated, within the authorized amount.

9. The question as to whether the state law requiring bridge plans to be submitted to the state highway commission for its approval is applicable in view of the acts of Congress in question and the approval to be obtained of the Secretary of War and the Chief of Engineers of the War Department appears to be somewhat close and difficult, and your committee does not feel warranted in pronouncing judgment upon it at this time. As a matter of public policy it would seem wise to have an independent check and examination of the plans if it could be done without undue cost of time or money and provided means were available to overcome a deadlock in case of a positive disagreement on the part of the highway engineers and the special bridge engineers.

10. Finally, we feel justified in reporting that the conduct of the County Commissioners in signing the contracts on April 1st, 1924, with only a few hours' deliberation showed a grievous want of elementary business knowledge and judgment; inexcusable ignorance of the unquestionable fact that they were attempting to obligate the county to pay a sum very greatly in excess of all resources applicable to the contract, and a reckless indifference to the opinion of their duly constituted technical and legal advisers who stood ready, as it plainly appears, to recommend an entirely different course. We believe further that the handling of this matter in such wise that there was no general competition considering the great magnitude of the undertaking which should have attracted contractors from all over the country, indicates that something had been radically wrong in the conduct of the entire business by the commissioners, and we are constrained to report that, in our opinion, the County Commissioners have forfeited the confidence of the public.

Mazama - - City Club
Mt. Hood Clim
July 4 to 6